

**FISCAL YEAR 2009  
MONITORING REPORT ON THE  
VOCATIONAL REHABILITATION AND  
INDEPENDENT LIVING PROGRAMS  
IN THE TERRITORY OF  
GUAM**



**U.S. DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND  
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REHABILITATION SERVICES ADMINISTRATION**

**FISCAL YEAR 2009**

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## EXECUTIVE SUMMARY

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The Rehabilitation Services Administration (RSA) reviewed the performance of the following programs authorized by the *Rehabilitation Act of 1973*, as amended (the Act) in the Territory of Guam (Guam):

- the VR program, established under Title I;
- the SE program, established under Title VI, part B;
- the IL program, authorized under Title VII, part B; and
- the IL services program for OIB, established under Title VII, Chapter 2.

### Guam Administration of the VR, SE, IL and OIB Programs

In the territory of Guam, the Department of Vocational Rehabilitation (DVR) is the designated state unit (DSU) responsible for the four programs reviewed. The designated state agency is the Department of Integrated Services for Individuals with Disabilities (DISID). DVR maintains an administrative office in Hagatna and provides services to individuals throughout the territory.

### DVR's Performance Over the Past Five Years

DVR's overall employment rate increased from 60 percent in FY 2003 to 72.4 percent in FY 2008; the overall number of applicants increased from 104 in FY 2003 to 280 in FY 2008; the overall number of individuals served remained relatively unchanged from 114 individuals in FY 2005 to 114 individuals in FY 2007; and the overall average hourly earnings increased from \$7.57 in FY 2003 to \$8.89 in FY 2007.

In FY 2007, DVR served 114 individuals and closed 25 cases after individuals received services. Of the total number of individuals whose cases were closed, 21 individuals achieved employment outcomes and were successfully rehabilitated, while four individuals did not achieve an employment outcome and their service records were closed unsuccessfully. Of those who were successfully rehabilitated in FY 2007, four achieved a SE outcome, an increase from two individuals in FY 2003. Although the total number of individuals served remained steady from FY 2005 to FY 2007, the number of new applicants increased from 54 individuals in FY 2003 to 203 individuals in FY 2008. In addition, the total number of individuals determined eligible increased from 140 in FY 2003 to 248 in FY 2008, while the number of individuals with an Individualized Plan for Employment (IPE), before services, increased from 33 in FY 2003 to 142 in FY 2008. Finally, the overall number of individuals who achieved employment decreased from 24 in FY 2003 to 21 in FY 2008. However, the number of individuals who achieved employment outcomes increased from 14 in FY 2006 to 21 in FY 2007 and FY 2008.

With respect to the IL program, in FY 2008, DVR served six individuals through part B funds, a decrease from eight in FY 2007. The number of individuals served through DVR's OIB program increased from 126 in FY 2007 to 136 in FY 2007.

**Challenges:** RSA identified the following challenges DVR faces in its efforts to improve its performance.

## **DVR**

### **Challenges:**

- recruiting and retaining qualified management and program staff;
- the statewide independent living council (SILC) is not fully constituted;
- substantial amount of funds are expended on off-island travel, without policies, procedures or fiscal controls; and
- expanding the number of community rehabilitation programs (CRPs) to increase the scope of internal and external services.

## INTRODUCTION

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Section 107 of the Act requires the commissioner of RSA to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Act to determine whether a state VR agency is complying substantially with the provisions of its State Plan under section 101 of the Act and with the evaluation standards and performance indicators established under section 106. In addition, the commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for SE under Title VI part B of the Act and programs offered under Title VII of the Act are substantially complying with their respective State Plan assurances and program requirements.

In order to fulfill its monitoring responsibilities, RSA:

- reviews the state agency's performance in assisting eligible individuals with disabilities to achieve high-quality employment and independent living outcomes;
- identifies strengths, areas of consistently high performance, areas of improved performance, challenges and areas of performance that need to be improved;
- recommends strategies to improve performance;
- requires corrective actions in response to compliance findings; and
- provides technical assistance (TA) to the state agency in order to improve its performance, meet its goals, and fulfill its State Plan assurances.

### Scope of the Review

RSA reviewed the performance of the following programs of the Act:

- the VR program, established under Title I;
- the SE program, established under Title VI, part B;
- the IL programs authorized under Title VII, part B; and
- the OIB program, established under Title VII, Chapter 2.

### Appreciation

RSA wishes to express appreciation to the representatives of DVR, the State Rehabilitation Council (SRC), Statewide Independent Living Council (SILC), Client Assistance Program (CAP) and the stakeholders who assisted the RSA monitoring team in the review of DVR.

## **CHAPTER 1: RSA'S REVIEW PROCESS**

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### **Data Used During the Review**

RSA's data collections are finalized and available at different times throughout the year. RSA's review of DVR began in the fall of 2008, and ended in the summer of 2009. When FY 2008 data became available toward the end of the review period, and if these data signaled a significantly different level of performance than the previous five year trend, RSA included the FY 2008 data in the report. Otherwise, this report relies primarily on RSA's FY 2007 data collections as the most recent source of data about DVR's performance.

### **Review Process Activities**

During the review process, the RSA Guam team:

- gathered, shared and reviewed information regarding each program's performance;
- identified a wide range of VR and IL stakeholders and invited them to provide input into the review process;
- conducted an on-site visit September 22, 2008 thru September 26, 2008, and held multiple discussions with state agency staff, SRC members, SILC members, and stakeholders;
- provided TA during the review process;
- identified performance areas for improvement and recommended that DVR undertake specific actions to improve its performance;
- identified compliance findings and required DVR to take corrective action; and
- in collaboration with DVR, determined whether RSA would provide TA to improve its performance or correct compliance findings.

### **RSA Guam Team Review Participants**

Members of RSA's territory of Guam team included representatives from each of RSA's State Monitoring and Program Improvement's five functional units. The RSA review team was made up of the following individuals: Brian Miller (VR Unit); James Billy (TA Unit); Regina Luster (Fiscal Unit); Joe Pepin (Data Collection and Analysis Unit); Felipe Lulli (IL Unit); James Doyle (VR Unit); Tonya Stellar (VR Unit); Douglas Zhu (VR Unit); and Terry Martin (TA Unit).

### **Information Gathering**

During FY 2009, RSA began its review of DVR by analyzing information including, but not limited to, RSA's various data collections, DVR's VR and IL State Plans, and DVR's SRC's annual report. After completing its internal review, the RSA team carried out the following information gathering activities with DVR and stakeholders in order to gain a greater understanding of DVR's strengths and challenges:

- conducted teleconferences with VR and IL stakeholders beginning in August 2008;

- conducted teleconferences with the DVR management beginning in July 2008;
- conducted teleconferences with DVR IL program staff, SILC members and administrative staff, and OIB staff beginning in August 2008; and
- conducted on-site monitoring in September 22 - 26, 2008, and met with staff of the DISID, DVR, CAP, and representatives of the SILC and SRC.

## CHAPTER 2: DVR VR AND SE PROGRAMS

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Table 2.1 provides DVR's fiscal, VR and SE program data for FY 2003 through FY 2007. These data provide an overview of the VR program's costs, outcomes, and efficiency. The table identifies the amount of funds used by the agency, the number of individuals who applied, and the number who received services. It also provides information about the quality of the agency's employment outcomes and its transition services.

As shown in Table 2.1, from FY 2003 to FY 2007, there was an overall increase in the number of applicants, individuals determined eligible, individuals who developed an IPE, and individuals who achieved supported employment. In addition, from FY 2003 to FY 2007, there was an overall decline in the number of individuals who achieved successful employment, individuals who achieved employment in an integrated setting, and persons who achieved competitive employment and were not employed at application.

Additionally, from FY 2006 to FY 2007, DVR increased the number of individuals who achieved employment, the number of individuals who achieved employment in an integrated setting, individuals who achieved competitive employment and were not employed at application, individuals who achieved competitive employment and worked 35 or more hours per week at substantial gainful activity (SGA), and individuals who achieved competitive employment with employer-provided medical insurance.

In FY 2007, DVR served 114 individuals and successfully rehabilitated 21 individuals. Of those who achieved successful employment, four individuals achieved SE outcome. During the five-year period beginning in FY 2003, the number of individuals who achieved employment fluctuated from 24 in FY 2003 to 21 in FY 2007. The number of applicants increased from 104 in FY 2003 to 280 in FY 2008. However, the overall number of individuals served remained unchanged with 114 individuals in FY 2005 to 114 individuals in FY 2007.

DVR increased the overall average hourly wage earned by individuals who achieved competitive employment from \$7.93 in FY 2003 to \$8.89 in FY 2007, while the overall average hours worked per week for individuals who achieved competitive employment outcomes decreased from 34.86 in FY 2003 to 31.75 in FY 2007. In addition, the overall number of individuals who achieved competitive employment and received employer provided medical insurance decreased from 12 in FY 2003 to six in FY 2007.



**Table 2.1**  
**DVR Program Highlights for VR and SE Program for FY 2003 through FY 2007**

<b>Program Highlights</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Total funds expended on VR and SE	\$1,289,029	\$1,464,539	\$1,723,721	\$2,054,002	\$1,839,711
Individuals whose cases were closed with employment outcomes	24	13	18	14	21
Individuals whose cases were closed without employment outcomes	16	4	27	15	4
Total number of individuals whose cases were closed after receiving services	40	17	45	29	25
Employment rate	60.00%	76.47%	40.00%	48.28%	84.00%
Individuals whose cases were closed with supported employment outcomes	2	1	1	0	4
New applicants per million state population	337.50	423.53	423.53	570.59	976.47
Average cost per employment outcome	\$6,340.00	\$4,125.00	\$6,018.50	\$7,765.50	\$22,390.52
Average cost per unsuccessful employment outcome	\$2,836.75	\$4,140.50	\$7,869.30	\$5,344.27	\$1,882.75
Average hourly earnings for competitive employment outcomes	\$7.93	\$8.84	\$8.39	\$8.05	\$8.89
Average state hourly earnings	N/A	N/A	N/A	N/A	N/A
Percent average hourly earnings for competitive employment outcomes to state average hourly earnings	N/A	N/A	N/A	N/A	N/A
Average hours worked per week for competitive employment outcomes	34.86	35.46	34.38	38.14	31.75
Percent of transition age served to total served	40.00%	52.94%	33.33%	50.00%	44.00%
Employment rate for transition population served	62.50%	77.78%	40.00%	46.67%	81.82%
Average time between application and closure (in months) for individuals with competitive employment outcomes	49.3	45.2	41.6	36.5	41.7
Performance on Standard 1	Met	Met	Met	Met	Met
Performance on Standard 2	Not Met	Not Met	Not Met	Not Met	Not Met

## **VR and SE Service Delivery**

DVR provides services to individuals through collaborative relationships with a number of public entities including the Department of Labor's Division of Employment Services, Guam Public School System (PSS), and the Department of Mental Health and Substance Abuse (MHSA). In addition, DVR collaborates with CRPs and non-profits including the Guam Rehabilitation and Workshop Center, Inc., Catholic Social Services, Oasis Empowerment Center, Lourdes Bitanga of the SRC, and Able Industries of the Pacific, Inc.

DVR delivers assessments, direct job placement, and vocational guidance and counseling through its VR counselors. DVR expanded its use of CRPs to provide job coaching services in order to serve more individuals.

DVR VR counselors work in conjunction with the Work Incentive Planning and Assistance Program to provide benefits planning to persons with disabilities in preparation for returning to work and understanding the impact of employment on Social Security benefits.

DVR collaborates with approximately five CRPs, contracted through fee for service, and coordinates the provision of assessments and services to include: psychological and vocational assessments, job training, on the job training resources, job placement and job-coaching. In addition, CRPs provide trial work experiences, supported employment and assistive technology services. Finally, DVR also utilizes CRPs to provide life skills and money management training.

Five VR counselors provide general and transition services and are assigned to each of the five high schools on Guam. The overall percentage of transition-age youths served to total served has remained relatively unchanged from 32.5 percent in FY 2003 to 32 percent in FY 2007. However, the percentage of transition-age youths served to total served increased from 15.56 percent in FY 2005 to FY 2007. The employment rate for transition-age youths served also increased from 61.54 percent in FY 2003 to 75 percent in FY 2007. Although the number of transition-age youths who achieved employment decreased from eight individuals in FY 2003 to three individuals in FY 2006, six individuals achieved employment in FY 2007. In addition, from FY 2006 to FY 2007, DVR increased the number of transition-age youths who achieved competitive employment at 35 or more hours per week, at the level of SGA level at 35 hours or more per week, and with employer-provided medical insurance.

In FY 2007, DVR received an allotment of \$37,125 to operate the SE program authorized under Title VI, Part B. DVR does not have any extended service providers on Guam. The number of individuals who obtained SE increased from two in FY 2003 to four in FY 2007. SE services are provided through fee for service contracts.

DVR is able to utilize the Guam Systems for Assistive Technology (AT) demonstration lab, a program operated through the University of Guam-Cedders. The AT demonstration lab provides hands-on demonstrations of AT equipment through a 30-day loan program. DVR coordinates AT assessments with service providers on Guam and the Philippines. The on and off-island service

providers deliver AT services to DVR clients and consist of: consultation, evaluation and training. DVR also utilizes AT providers in Hawaii and the Philippines to purchase prosthetic devices.

## **Personnel**

As of September 2008, DVR employed a total staff of 22 individuals including eight administrators, eight VR counselors, and four support staff. DVR uses the national standard as the standard for a qualified VR counselor.

## **Data Management**

DVR uses an electronic management information system in conjunction with a paper system. DVR reported it does not have the technical support staff to maintain the current system or to provide TA to DVR staff. DVR is researching alternative case management systems for future implementation. Currently the organization of documentation is maintained on various electronic devices and in hand written case notes.

DVR collects data through an electronic case management system that has limited application to decision making and planning. DVR has the capacity to utilize its case management system at the administrative level. Field staff reported limited access to the network and case management reports to monitor case movement.

## **Quality Assurance (QA)**

QA consists of reviews of service records by supervisors and the administrator at selected points in the rehabilitation process including eligibility, IPE approval, amendment approval, and closure. These reviews provide input on counselor training needs. Formal instruments are not utilized during these reviews. DVR does not have formal QA processes or mechanisms in place to inform management regarding the overall performance of the agency or adherence to policy and procedures.

## **Planning**

Formal strategic planning is limited to ad hoc activities conducted by the management team. Planning conducted in coordination with other state agencies and public entities is conducted to facilitate collaborative service delivery efforts. Agency leadership and staff do not conduct strategic planning informed by QA to improve and increase the efficiency and effectiveness of the service delivery process.

In addition, data and case management reports are not utilized in the evaluation of counselor performance, or to identify training needs of agency counselors and staff.

## **VR and SE Programs TA Provided to DVR during the Review Process**

RSA provided the following VR and SE program TA to DVR during the review process regarding:

- revisions to its policies concerning the determination of eligibility and ineligibility, off-island travel, financial participation, maintenance, self-employment, purchase of assistive technology and equipment and comparable benefits in compliance with federal statute and regulations;
- guidance and training regarding case management including timely and consistent eligibility determination, IPE development, evaluation and monitoring of progress and achievement of goals and case record documentation;
- clarification of procurement regulations including off-island travel, the bid process and fee schedules;
- development of a performance-based personnel evaluation system;
- development of a case management system;
- development of a QA system; and
- guidance in reference to the non-delegable functions to be performed by qualified rehabilitation counselors who meet CSPD standards or are training to DVR's CSPD standard, as reflected in their training plans.

## **Observations of DVR and Its Stakeholders about the Performance of the VR and SE Programs**

RSA solicited input from DVR and a wide range of its stakeholders regarding the performance of the VR and SE programs. DVR and its stakeholders shared the observations below.

- Collaboration between DVR and the Guam PSS/Special Education Program could be strengthened through shared data collection and regularly scheduled student and family orientations facilitated by VR.
- Consumer purchases and off-island travel are delayed due to procurement policies and procedures requiring the oversight of the Guam government.
- Due to the increase in the number of referrals from the Department of MHSA and the lack of resources, DVR staff needs training to assess and address the needs of individuals with mental illness, traumatic brain injury, substance abuse and autism to provide career assessment and work readiness tools.
- Concerns were expressed regarding the quality, knowledge and experience of VR counselors.
- There is a lack of resources such as transportation, training and evaluation, CRPs and mental health services.
- Concerns were expressed regarding the relatively low number of individuals DVR is serving and the quality of employment outcomes achieved.
- Concerns were expressed regarding the timely coordination and provision of services, as well as the lack of assessments and preparedness of individuals for employment after receiving services.

RSA discussed the observations of DVR's stakeholders with the agency, and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## Continuing Education Needs of DVR Staff

RSA solicited input from DVR to identify the following continuing education needs of its staff:

- policy development;
- case management;
- quality assurance; and
- establishment projects.

RSA solicited input from DVR's stakeholders to identify the following continuing education needs of DVR staff:

- assessments;
- vocational guidance and counseling;
- job development; and
- job placement.

## VR and SE Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to DVR about those observations. DVR responded to each of the recommendations and in those instances when RSA and DVR agreed upon a recommendation, RSA and DVR identified the TA that RSA would provide to DVR to successfully implement the recommendation.

### 1. Quality of Employment Outcomes

**Observation:** The quality of employment outcomes for DVR consumers decreased steadily from FY 2004 to FY 2007.

- The average wage for consumers successfully employed following DVR services increased by \$0.05 or 0.6 percent from FY 2004 to FY 2007 compared to the national average for combined agencies, which increased \$0.87 or nine percent during the same period of time. In FY 2004, the average wage for DVR consumers was \$8.84 compared to the national average for all combined agencies at \$9.63. In FY 2007, the average wage for DVR consumers was \$8.89 compared to the national average for combined agencies of \$10.50, as shown below in Table 2.2.
- The average number of hours worked per week declined from 35.46 in FY 2004 to 31.75 in FY 2007.
- The percent of individuals closed with employment in an integrated setting decreased from 92.31 percent in FY 2004 to 71.43 percent in FY 2007.
- Since FY 2004, the percentage of individuals closed with competitive employment at 35 or more hours per week steadily declined from 76.9 percent to 50.0 percent in FY 2007.

- The percent of individuals closed with competitive employment outcomes at SGA level at 35 hours or more hours per week continuously declined from 69.2 percent in FY 2004 to 45 percent in FY 2007.
- The percent of individuals closed with competitive employment outcomes with employer-provided medical insurance declined from 69.2 percent in FY 2004 to 30.0 percent in FY 2007.

**Table 2.2**  
**DVR Quality Employment Outcomes for FY 2004 through FY 2007**

<b>Quality Employment Outcome Measures</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Average hourly earnings for competitive employment outcomes</b>				
Guam	\$8.84	\$8.39	\$8.05	\$8.89
Average of Combined Agencies	\$9.63	\$9.85	\$10.20	\$10.50
<b>Average hours worked per week for competitive employment outcomes</b>				
Guam	35.46	34.38	38.14	31.75
Average of Combined Agencies	32.78	32.84	32.82	32.72
<b>Closed with competitive employment outcomes at 35 or more hours per week</b>				
Guam	10	10	7	10
Percent	76.9%	62.5%	50.0%	50.0%
Average of Combined Agencies	53,503	54,317	54,502	54,031
Percent	59.6%	59.9%	59.7%	59.0%
<b>Closed with competitive employment outcomes at SGA level at 35 or more hours per week</b>				
Guam	9	9	7	9
Percent	69.2%	56.3%	50.0%	45.0%
Average of Combined Agencies	52,281	53,100	53,087	52,032
Percent	58.3%	58.5%	58.1%	56.8%
<b>Closed with competitive employment outcomes with employment employer-provided medical insurance</b>				
Guam	9	5	5	6
Percent	69.2%	31.3%	35.7%	30.0%
Average of Combined Agencies	28,699	29,236	30,180	30,257
Percent	32.0%	32.2%	33.0%	33.0%

**Recommendation 1:** RSA recommends that DVR:

- 1.1 develop strategies to improve employment opportunities for individuals to qualify for higher paying positions and positions that offer benefits through expanded training or educational opportunities;
- 1.2 develop strategies to establish or expand CRPs within the community to increase support services, vocational training, and job development programs to meet identified employer needs; and

- 1.3 develop strategies to create an employer network and provide assistance to employers in order to increase employment opportunities.

**Agency Response:**

- 1.1 The VR Counselors will increase the quality and sustainability of employment outcomes commensurate with the services received and individual capabilities for the individuals served. In addition, DVR will request assistance from the Guam Government in order to enforce Public Law 24-92, mandating that two percent of the total workforce for each government agency represent persons with disabilities.
- 1.2 DVR will assist potential community rehabilitation providers with the establishing credentials for expertise through distance learning (i.e. supported employment with the University of Virginia and job coaching with the University of Georgia).
- 1.3 DVR will develop the relationship with the Guam One-Stop Career Service Center and the Guam Workforce Investment Board in order to expand its employer network and increase the provision of technical assistance to employers and employment opportunities for individuals served. In addition, DVR will establish a relationship with the local private and public employment agencies.

**TA:** DVR requests TA.

## **2. Closures Prior to Provision of Services**

**Observation:** DVR closes a significant number of cases prior to the provision of services.

- In FY 2007, DVR closed a total of 73 cases of individuals who applied for services. Of these individuals, 26 individuals or 35.6 percent had their cases closed in application status. An additional 20 individuals or 27.4 percent had their cases closed after being determined eligible but before receiving services and two individuals or 2.7 percent had their cases closed after signing an IPE but before receiving services. Only 34.25 percent of all individuals whose cases were closed received services.
- In FY 2007, individuals whose cases were closed prior to receiving services (exited as applicants or after being determined eligible but before an IPE) exceeded the national average for combined agencies, as demonstrated below in Table 2.3. Individuals who exited as applicants had an average case length of 10.7 months, compared to the national average of 4.0 months for all combined agencies. The average time for cases to be open for individuals who exited after eligibility, but before an IPE was 45.5 months, compared to an average of 12.0 months for combined agencies. The two most common reasons listed by DVR for closing an individual's case were inability to locate and refusal of services.

**Table 2.3**  
**DVR Closure Type and Duration for FY 2007**

	Guam FY 2007			Combined Agencies 2007		
Type of Closure	Number	Percent of Cases Closed	Average Months	Number	Percent of Cases Closed	Average Months
Exited as an applicant	26	35.6%	10.7	43,389	15.7%	4.0
Exited during or after a trial work experience/extended evaluation	0	1.0%	0.0	1,551	0.6%	11.3
Exited with an employment outcome	21	28.8%	41.7	95,943	34.6%	26.5
Exited without an employment outcome, after receiving services	4	5.5%	39.8	65,473	23.6%	33.8
Exited without employment outcome, after IPE, before services	2	2.7%	17.0	3,739	1.3%	21.7
Exited from an order of selection waiting list	0	0.0%	0.0	6,371	2.3%	20.7
Exited without employment outcome, after eligibility, before IPE	20	27.4%	45.5	60,527	21.9%	12.0
Total	73	100%	22.1	276,993	100%	21.3

**Recommendation 2:** RSA recommends that DVR:

- 2.1 conduct a comprehensive analysis of the reasons individuals are exiting the system prior to the development of the IPE; and
- 2.2 develop strategies based on the analysis in 2.1 to improve communication and the successful development of an IPE, to reduce the number of individuals exiting the VR program.

**Agency Response:**

- 2.1 DVR conducted a case review which resulted in the closure of the 73 cases from statuses two and ten. None of the 73 closed cases met the 60-day eligibility requirement. The average length of time for the closed cases from application to closure was two to three years.
- 2.2 DVR developed a manual case tracking system to reduce the number of individuals exiting the system which has been implemented at each status or stage of the rehabilitation process. In addition, DVR implemented a policy requiring the development of the IPE no later than 45 days after the eligibility determination.



**TA:** DVR does not request TA.

### 3. VR Service Policies and Procedures

**Observation:** DVR does not have a policy and procedures manual that reflects both the current federal and statutory requirements. DVR developed a draft policy manual based on the SRCs feedback regarding individual policies and procedures. The draft policy manual has not been reviewed by the public.

- VR counselors rely on a collection of old and new policy directives, and do not have a consistent and clear understanding of which policies are current and applicable.
- Counselors do not consistently conduct assessments to determine VR needs prior to purchasing assistive technology and/or equipment for training or employment.
- DVR lacks policy and guidance regarding how eligibility and ineligibility determination, IPE development, and the evaluation of services should be implemented. In addition IPE amendments are not dated and do not include VR counselor signatures, only the signature of the agency administrator.
- DVR lacks policies and procedures that provide guidance for off-island travel and service delivery including comparable benefits and financial participation.
- Counselors do not provide assessments to individuals in order to determine the appropriateness of self-employment, and do not have policies that provide guidance related to mechanisms for measuring when an outcome is successful.

**Recommendation 3:** RSA recommends that DVR:

- 3.1 develop a comprehensive policy and procedures manual consistent with all federal statutory and regulatory requirements to provide guidance to program managers, rehabilitation supervisors, counselors and support staff on the provision of VR services;
- 3.2 develop a plan for the completion of the policy and procedures manual including timelines and strategies to foster full participation by the SRC, CAP, agency staff, individuals with disabilities, and other stakeholders;
- 3.3 take steps to ensure that the policy and procedures manual is available to agency staff, the SRC, the CAP, stakeholders, and the public, and is accessible to all individuals with disabilities by placing the manual on the agency's website;
- 3.4 develop a plan for the provision of training on the new manual to all agency management and staff; and
- 3.5 develop and implement a QA protocol to track the effectiveness of implementation and the impact service delivery policies have on agency performance.

#### **Agency Response:**

- 3.1 Although the Guam Services Manual was developed in 1996, it was revised in 1999, 2007 and 2008. The most recent version included the SRC's input and was forwarded to SDSU and RSA for review.
- 3.2 The review and revision of the services manual is on-going and is based on feedback from the SRC, CAP and DVR staff. In addition, a copy of the most recent draft services manual will be

forwarded to RSA for feedback. DVR has established the target date of November 15, 2009, for the approval of its policy manual and an anticipated implementation date of December 1, 2009.

- 3.3 DVR will take steps necessary to ensure that the approved services manual will be made available to agency staff and stakeholders. DVR plans to post the approved services manual on the DVR website.
- 3.4 DVR will develop a plan for the provision of training regarding policy revisions and the revised services manual for all staff.
- 3.5 A QA protocol will be developed and implemented after the publication of the services manual.

**TA:** DVR requests TA on the revision of its services manual.

#### **4. Use of VR Workers/Counselor Aide and Disability Aide**

**Observation:** DVR underutilizes counselor support staff to maximize agency performance to increase service delivery and the quantity and quality of employment outcomes for persons with disabilities.

- As part of the agency's efforts to improve the administrative support of counselors, it created unit staff positions that include two VR workers/counselor aides and one disability aide.
- Initially, DVR utilized the VR workers/counselor and disability aides to develop and mail letters and recently increased their duties to include job development and assistance with the development of authorizations.
- Management recognized the abilities and capabilities of the administrative support staff and communicated the need to expand their job duties and responsibilities of the VR workers/counselor aides and disability aide to include conducting orientation sessions, resume development, and job development and placement activities.

**Recommendation 4:** RSA recommends that DVR:

- 4.1 evaluate the current structure and system of using VR workers/counselor aides, counselors and the disability aide in each office and identify delegable functions that could be performed by administrative support staff;
- 4.2 identify current practices and develop strategies to replicate efficient practices and collaboration between VR workers, counselors and disability aides;
- 4.3 relieve VR counseling staff of their delegable responsibilities and administrative tasks such as accepting referrals, requesting information, scheduling appointments, drafting authorizations for services and letters and reviewing cases for documentation, prior to closure, to allow counselors more time to provide counseling and guidance; and
- 4.4 provide joint training for VR workers, counselors and disability aides, and supervisors on job duties and consistent implementation of policies and procedures.

**Agency Response:**

- 4.1 The VR workers positions will be reviewed to determine what administrative support can be provided to VR counselors through delegable functions. In addition, DVR will review its administrative costs related to the VR worker positions.
- 4.2 The only differences between a VR worker and a disability aide, are the titles and pay scale. Both positions were developed to support and assist VR counselors with increasing the number of individuals served and improving the services provided. The Government of Guam's HR Office will review these positions upon completion of the Hay Study.
- 4.3 Currently, VR workers, secretaries and the disability aide are responsible for administering non-delegable functions.
- 4.4 DVR staff is aware of their responsibilities and VR counselors and immediate supervisors will need to delegate these tasks and responsibilities.

**TA:** DVR does not request TA.

**5. Staff Development and Training**

**Observation:** DVR does not provide staff with the training they require to perform all of their job duties effectively.

- DVR does not have written policies or procedures to provide guidance regarding the identification, development or evaluation of focused training to address staff needs.
- During the on-site monitoring review, staff communicated the need for training in specific and focused disability areas for populations served and to be served such as transition and mental health. In addition, counselors are not provided with training to serve specific disability populations such as persons referred by the Department of Mental Health or the Public School System.
- Due to limited funds for off-island trainings, few staff is able to participate in off-island training. In addition, there is not a process to deliver training received by those who attended training to all other staff.
- DVR communicated that it relies on San Diego State University's VR counseling master's degree program to train staff to standard. However, seven of the eight VR counselors that do not meet the standard are not enrolled in training, nor are they on a training plan to develop their knowledge and capabilities and are performing non-delegable functions.

**Recommendation 5:** RSA recommends that DVR:

- 5.1 develop written policies and procedures to ensure staff receive appropriate and adequate training to perform their job duties;
- 5.2 develop a system to provide training to all staff facilitated by individuals who attend off-island training seminars;
- 5.3 identify the seven counselors who do not meet CSPD and develop training plans for each individual to include procedures to evaluate the progress of each VR counselor to meet DVR's CSPD standard within an established timeframe; and
- 5.4 develop an assurance in conjunction with the FY 2010 State Plan that all individuals performing non-delegable functions will meet standards within an established time frame or will be engaged in training, on a training development plan, to do so.

**Agency Response:**

- 5.1 DVR Consumer and Administrative Services sections are jointly identifying staff needs for continuous training to ensure consistent interpretation and implementation of DVR policies, procedures, and mandates.
- 5.2 DVR will require a training or conference summary from staff within two weeks, from last day of the training attended. Within three weeks, from the last day of the training attended, the attendee will provide training to agency staff and materials acquired through the training or conference will be reproduced and disseminated.
- 5.3 DVR is requiring that each counselor submit their training plans to DVR management by October 1, 2009. The plan will include the counselor's intentions for entering into and fulfilling a training contract with DVR, the identification of the school the counselor selected and the required program of study, VR Counselor Masters Degree and CRC. Initial applications the university identified in the training plan must be submitted by the beginning of the second quarter of FY 2009.
- 5.4 Any employee not meeting the CSPD requirements and who are not engaged in training or on an approved training development plan, will not perform any of the non-delegable functions. DVR provided to RSA in its FY 2010 State Plan that all staff will meet the established agency standard within a specific period of time.

**TA:** DVR does not request TA.

**6. Performance-Based Evaluation System**

**Observation:** DVR's current personnel appraisal system does not effectively assess staff performance of their job duties.

- DVR counselor staff performance is neither evaluated through a performance-based system, nor based on job duties and responsibilities such as standards and indicators, timely eligibility determination and IPE development, the quality of employment outcomes or other VR related functions. VR counselors are not required to achieve a specific number of employment outcomes. In addition, staff is not evaluated on their interpretation or implementation of state and federal policies, case record information or customer satisfaction surveys.

- Individual performance goals are not currently tracked by VR counselors. Monthly statistical reports should include data elements such as eligibility and plan rates in counselor performance evaluations. The state director reviews counselor performance at least every two years, but has the latitude to develop a more rigorous performance evaluation system.

**Recommendation 6:** RSA recommends that DVR:

- 6.1 Evaluate the current performance evaluation plans for DVR employees and integrate VR performance measures in semi-annual performance evaluations;
- 6.2 Identify and implement a personnel appraisal system that evaluates VR counselor performance of their job duties;
- 6.3 Analyze performance measures such as eligibility and plan rate to determine the efficiency of VR counselor's case management, and develop strategies to increase accountability.

**Agency Response:**

- 6.1 DVR is reviewing the position description for VR counselors and incorporating critical job factors to be used to measure and evaluate their job performance. Critical job factors will include employment outcome standards and the established agency CSPD timelines and standards.
- 6.2 The performance evaluation and appraisal system is currently being reviewed to ensure that mandated requirements are incorporated into the system.
- 6.3 VRC's will be evaluated on their timeliness of determining eligibility, IPE development and service delivery timeline.

**TA:** DVR does not request TA.

## **7. CRPs and Service Provision**

**Observation:** DVR has limited resources to assist in the delivery of VR services to individuals in Guam.

- DVR utilizes one CRP for the provision of job development, placement and coaching services and two private job coaches who provide job coaching through fee-for-service contracts. DVR utilizes community providers for psychological and medical functional assessments. Although service providers are located throughout the territory, DVR has experienced difficulty partnering with service providers to become CRPs and building the capacity and resources of potential CRPs. DVR has communicated its goal to increase the number of qualified providers.

**Recommendation 7:** RSA recommends that DVR:

- 7.1 evaluate the needs of employers on Guam and develop training programs to meet employer needs;

- 7.2 develop strategies to identify service providers to meet the needs of individuals served and build the capacity of CRPs based upon identified needs;
- 7.3 develop strategies and procedures to maintain communication with CRPs on issues related to contracting, monitoring and accountability;
- 7.4 conduct a labor market analysis to determine potential employment opportunities and develop strategies to implement work adjustment training, on-the-job training and work experiences through island employers and the US Armed Forces; and
- 7.5 evaluate the use of establishment projects pursuant to 34 CFR 361.49.

**Agency Response:**

- 7.1 DVR will be collaborating with local employers to identify their needs and provide training programs to increase employment opportunities.
- 7.2 DVR will be meeting with local service providers to address this need.
- 7.3 DVR will be implementing these strategies.
- 7.4 DVR will be implementing these strategies.
- 7.5 DVR will review and evaluate the use of establishment projects pursuant to 34 CFR 361.49.

**TA:** DVR may request TA.

**8. SE Service Provision**

**Observation:** DVR does not have extended service providers for individuals requiring long-term supports to maintain employment.

- Although there are not any SE extended service resources for individuals on Guam, DVR provides non-supported job coaching through two providers. SE services are provided to individuals with most significant disabilities that require SE services. DVR communicates and collaborates with the Developmental Disabilities Council and expressed the need to develop a partnership with the Community Guidance Center and the Department of Mental Health.
- As demonstrated in Table 2.2, the number of individuals who achieved SE increased from one in FY 2004 to four in FY 2007. DVR communicated that individuals closed in SE received job coaching and natural supports.

**Table 2.4**  
**DVR Supported Employment Closures for FY 2004 through FY 2007**

<b>Supported Employment Closures</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Percent closed in supported employment	7.69%	5.56%	0	19.05 %
Individuals closed with supported employment	1	1	0	4

**Recommendation 8:** RSA recommends that DVR:

- 8.1 assess the actual needs of individuals with disabilities regarding extended SE services and develop partnerships with potential extended service providers;
- 8.2 evaluate how SE services could be contracted and expand the number of CRPs contracted to provide SE services to populations identified as needing SE services; and
- 8.3 examine DVR's need and ability to access military facilities and employment opportunities, and develop programming to expand SE services to individuals with the most significant disabilities.

**Agency Response:**

- 8.1 Although the Division of Support Services is to be the extended service provider for individuals with all disabilities, except for persons with mental illness, extended services have not been provided through this entity. In addition, the Department of Mental Health and Substance Abuse has been established as the future extended service provider for individuals with mental disabilities.
- 8.2 DVR provide information to CRPs, interested in providing SE Services, through the coordination of distance learning and certification.
- 8.3 DVR collaborate with Able Industries in order to provide supported employment on the military bases. If Able Industries cannot provide supported employment services, DVR will need to develop these services.

**TA:** DVR may request TA on the development of SE services.

## 9. Transition Services

**Observation:** The overall number of transition-age youths who achieved employment outcomes decreased from five individuals in FY 2003 to three individuals in FY 2006, but increased to six individuals in FY 2007. DVR outreach and transition services are limited in nature and scope and should be expanded to provide services to the identified transition-age population on Guam.

- Although DVR does not have designated VR transition specialists, it assigned VR counselors to all five public schools on Guam. VR counselors have not received training to work specifically with transition-age youths.
- In FY 2007, 193 transition-age youths between the ages of 18 and 21 were served under the Individuals with Disabilities Education Act, Part B, on Guam. Furthermore, 156 transition-age youths were reported as having specific learning disabilities, while nine were coded as having mental retardation as reported by the U.S Department of Education, Office of Special Education Programs, Data Accountability Center.
- In FY 2008, DVR increased its presence in high schools and outreach to juniors in high school. In addition, DVR established a transition team with the Guam Public School System (GPSS) that meets on a monthly basis to identify transition-age youths. DVR and GPSS have coordinated two cross-trainings since September 2008 on roles and responsibilities and the referral process.
- As indicated in Table 2.3, DVR served fewer transition-age youths compared to the national average of transition-age youths served by combined agencies in FY 2007. In addition, while the number of transition-age youths served on Guam decreased from FY 2006 to FY 2007, the average number of transition-age youths served by combined agencies increased from FY 2006 to FY 2007.
- In FY 2007, the employment rate of 75 percent for transition-age youths on Guam was higher than the national employment rate of 58.18 percent for transition-age youths served by combined agencies (see Table 2.3).

**Table 2.5**  
**DVR's Performance with Transition-age Youths (ages 14-24)**  
**Using Age at Application for FY 2003 through FY 2007**

<b>Transition-age Youths Served</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
DVR Transition-age youths served	16	9	15	15	11
Combined Agencies Average transition-age youths served	1,558	1,590	1,644	1,625	1,763
DVR Employment rate	61.54%	80.0%	57.14%	50.0%	75.0%
National Average Employment rate	57.37%	54.70%	56.93%	57.89%	58.18%



**Recommendation 9:** RSA recommends that DVR:

- 9.1 evaluate the current assignment of counselors to public schools and determine if a more collaborative partnership could be established through the development of transition specialists and an increased presence in the public schools
- 9.2 assess the number of students served by special education and develop strategies to increase outreach and DVR presence in the school system through at minimum bi-annual information fairs; and
- 9.3 require counselors to work with transition-age youths prior to their graduation year in order to better facilitate the determination of eligibility of individuals who may be served by the VR program and ensure that an appropriate assessment is conducted resulting in the development of a more substantive IPE.

**Agency Response:**

- 9.1 DVR plans to maintain the current transition assignments. Currently, VR counselors are assigned to each high school. Future plans include the hiring of transition specialists and providing the training needed in order for current VR counselors to provide effective transition services.
- 9.2 VR counselors are physically located at each school on a bi-weekly basis and offer office hours during those days. In addition, orientations are conducted in each high school each month by the VR counselor.
- 9.3 In accordance with the 2005 Amendment of the IDEA, DVR develops transition plans for each special education student over the age of 16. Typically, when a VR counselor attends an IEP meeting, a VR referral and application are completed at this time. When the appropriate documentation is available, an eligibility determination is also completed.

**TA:** DVR does not request TA.

**10. Case Management**

**Observation:** DVR's current case management system does not include a reporting structure to provide staff the necessary tools to manage consumer caseloads. DVR does not utilize case management reports to monitor timely and efficient service delivery.

- DVR communicated that it has experienced numerous case management system issues and a lack of technological support. DVR informed the Guam government that it needs to update its current system in order to manage its performance.
- Currently, VR counselors cannot access the case management system to manage case-flow or to evaluate individual performance due to the island's infrastructure.

**Recommendation 10:** RSA recommends that DVR:

- 10.1 provide training to enable each counselor to monitor his caseload on a regular basis; and
- 10.2 explore the extent to which the case management system can be used to produce evaluative reports including employer information, real-time data, types of employment outcomes, activity due and progress report reminders.

**Agency Response:**

- 10.1 Through the development of the MIS system, DVR has experienced challenges which are being addressed through contracting an individual to analyze the current case management system and recommend new hardware and a case tracking system that can be utilized by all staff. VR counselors are capable of monitoring their caseloads on a regular basis. DVR will develop its evaluation standards for VR counselors in order to assess timely case management. Currently, the Administrative Services section generates quarterly reports of outstanding obligations of authorizations for services, or purchase orders, for all consumer related services that have been obligated and are pending payments or liquidations. This report is a tool that can assist in identifying cases requiring immediate action or possible closure. In addition, manual case tracking can also be utilized to monitor individual counselor caseloads.
- 10.2 In addition to contracting MIS personnel, DVR will analyze and compare its personnel, data, fiscal and case management systems with other government agencies to assist DVR in its selection of a management information system that will benefit both the consumer services and administrative services sections of DVR. Procurement efforts will begin in the first quarter of FY 2010.

**TA:** DVR may request TA.

**11. Planning**

**Observation:** DVR does not have a comprehensive vision of an effective VR service delivery system, or a systematic approach to State Plan development.

**Recommendation 11:** RSA recommends that DVR:

- 11.1 engage in strategic planning activities with the SRC to develop a concrete vision of a VR service delivery system;
- 11.2 identify and delineate goals and objectives with the SRC to realize the described vision of a VR service delivery system; and
- 11.3 develop and evaluate strategies to expand and improve the scope of its VR service delivery system.

**Agency Response:**

- 11.1 The SRC is involved in strategic planning related to the development of VR service delivery system and will include the following components: a customer satisfaction survey, an island-wide comprehensive needs assessment, State and SES Plans, and the ARRA Funding Expenditure Plan.
- 11.2 DVR will collaborate with the SRC to ensure that the agency's goals and objectives are concise and that the vision is jointly developed and achieved.
- 11.3 DVR and the SRC will evaluate strategies regarding the expansion and improvement of the nature and scope of VR service delivery on Guam in FY 2010.

**TA:** DVR may request TA.

**12. Quality Assurance Process**

**Observation:** DVR communicated that service records are reviewed by team leaders and are submitted to administrators for approval of case movement from application to eligibility status, eligibility to IPE, and case closures. However, QA service record reviews are not conducted. Currently, training needs are identified by team leaders as case movement is monitored. DVR does not have a QA instrument for review of service records and QA is not a formalized activity. There are no established QA practices for other agency functions such as data or fiscal management. DVR would benefit from an expansion of its QA process and integration into agency operations.

**Recommendation 12:** RSA recommends that DVR:

- 12.1 design a QA instrument for review of service records; and
- 12.2 design a QA plan for evaluating significant agency functions such as service delivery system, fiscal and data management, identifying training needs, developing training modules.

**Agency Response:**

- 12.1 A QA checklist for case record reviews will be developed and implemented by October 30, 2009. The current checklists will be replaced by the revised document. DVR is exploring the reinstatement of the program coordinator's case record reviews to ensure agency-wide consistency.
- 12.2 DVR will maximize the utilization of management and field staff to develop the QA checklists and to monitor agency functions (i.e. case management, program and training needs, data and fiscal management).

**TA:** DVR does not request TA.

## VR and SE Compliance Findings and Corrective Actions

RSA identified the following compliance findings and corrective actions that DVR is required to undertake. DVR must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and is available to provide TA to assist DVR.

### 1. Qualified VR Counselor

**Legal Requirement:** Pursuant to the Rehabilitation Act of 1973, as amended (the Act), and its implementing regulations, as part of its comprehensive system of personnel development (CSPD), a state VR agency is required to establish and maintain "personnel standards that are consistent with any national or State-approved or -recognized certification, licensing, or registration requirements, or, in the absence of these requirements, other comparable requirements (including State personnel requirements) that apply to the profession or discipline in which that category of personnel is providing vocational rehabilitation services" (Section 101(a)(7) of the Act; 34 CFR 361.18(c)(1)(i)).

The standards must be based on the highest requirements in the state applicable to each profession or discipline. The highest requirement in the state means the highest entry-level academic degree needed for any national or state-approved or -recognized certification, licensure, or registration (34 CFR 361.18(c)(2)(i)).

Pursuant to 34 CFR 361.13, at a minimum, "all decisions affecting eligibility for vocational rehabilitation services, the nature and scope of available services, and the provision of these services" must be performed by the designated state unit. The Act and regulations identify specific counseling functions that can only be performed by qualified VR counselors employed by the agency. These functions cannot be delegated to other non-qualified employees and include:

- Determination of eligibility - A qualified VR counselor employed by the State agency must determine if an individual requires VR services to prepare for, secure, retain or regain employment (34 CFR 361.42(a)(1)(iii));
- Development of the Individualized Plan for Employment (IPE) - A qualified VR counselor employed by the agency must approve and sign the IPE (34 CFR 361.45(d)(3)(ii));
- Review of the IPE, at least annually-A qualified VR counselor must review the IPE, at least annually, to assess the individual's progress in achieving the identified employment outcome (section 102(b)(2)(E) of the Act and 34 CFR 361.45(d)(5));
- Amendment of the IPE - A qualified VR counselor employed by the agency must agree to and sign an amendment to an individual's IPE in order for it to take effect (34 CFR 361.45(d)(7)); and
- Case closure - A qualified VR counselor employed by the agency must determine that an individual's employment outcome is satisfactory and that the individual is performing well on the job before the individual can be considered to have achieved a successful employment outcome and the individual's case can be closed (34 CFR 361.56(c)).

As stated in the guidance to the final VR program regulations, the provisions governing the CSPD are designed to ensure that a state agency is able to serve individuals with disabilities, while it moves as rapidly as possible to the point at which all current and newly hired employees meet the applicable standard established by the agency. In recognition of the time that it takes to obtain the necessary training, counselors currently employed by the agency may continue to perform the functions of a qualified counselor if they are engaged in the training to achieve the qualifications required under the standard (66 Federal Register. 4379, 4424-4425, January 17, 2001).

**Finding:** DVR is not in compliance with federal requirements because currently, seven of eight VR counselors that do not meet the agency's CSPD standard and do not have a plan to meet the requirements are performing the non-delegable functions of a qualified counselor as specified in 34 CFR 361.13. In addition, DVR administrators performing non-delegable functions are not deemed qualified VR counselors because they do not meet the standard and are not on a training plan to meet the standard.

As Guam has not developed a state standard for the position of VR counselor, DVR has elected to use the national standard, which has been established by the Commission of Rehabilitation Counselor Certification (CRCC). As indicated in its FY 2009 VR State Plan, DVR bases its personnel standard for the position of VR counselor on the academic credentials required under the CRCC standard. To be deemed a qualified VR counselor employed by the agency, an individual must hold a master's degree in rehabilitation counseling, counseling, or a related field with coursework in the theories and techniques of counseling.

**Corrective Action 1:** Through the FY 2010 State Plan, DVR must inform RSA when all VR counselors employed by the agency will meet its established personnel standard from the date of hire. DVR must take the steps to ensure that seven VR counselors and administrators, who do not possess the academic credentials required for the position of VR counselor as established in the agency's State Plan, no longer perform the non-delegable functions of a qualified VR counselor employed by the agency, unless they are on a training plan and engaged in the necessary training within the specified timeline. DVR must also report in its FY 2010 State Plan, the number of VR counselors on training plans and engaged in training.

#### **Agency Response:**

DVR reported in Attachment 4.10 its FY 2010 State Plan that all VR Counselors employed by DVR will have a training plan in place by October 1, 2009. Out of the eight VR Counselors who do not meet the established personnel standard, two currently have a training plan in place and are engaged in training.

#### **RSA Response:**

In its corrective action plan, DVR must provide RSA with documentation to support its response that the two VR counselors who do not meet the established personnel standard are on training plans and engaged in training. In addition, DVR must provide this documentation for the

remaining six VR counselors who will be placed on training plans and engaged in training by October 1, 2009.

**TA:** DVR may request TA on the development of CSPD training plans and identification of VR agency models.

## **2. SRC Composition**

**Legal Requirement:** Pursuant to 34 CFR 361.17(b)(1), “Except as provided in paragraph (b)(3) of this section, the Council must be composed of at least 15 members, including...

- (ii) At least one representative of a parent training and information center established pursuant to section 682(a) of the Individuals with Disabilities Education Act (IDEA) (as added by section 101 of the IDEA Amendments of 1997; Public Law 105-17);
- (iv) At least one qualified vocational rehabilitation counselor, with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member of the Council if the counselor is an employee of the Designated State Agency; and
- (vi) Four representatives of business, industry, and labor.

**Finding:** The Guam SRC is not in compliance because it does not meet the composition requirements under section 105 of the Act. The following is a list of the vacant positions:

- one vacancy in the parent training and information center category, vacant since September 2008; and
- four vacancies of business, industry, and labor, vacant since September 2006.

**Corrective Action 2:** DVR must take the steps necessary to fill the vacancies on the SRC. DVR must provide an assurance in connection with the approval of the FY 2010 State Plan to RSA that the SRC will be fully constituted with full membership through gubernatorial appointment.

### **Agency Response:**

DVR has and will continue soliciting/recruiting for vacant positions for the SRC. A letter of recruitment for membership in the SRC has been distributed, which resulted in two new recruits. In addition, a paid advertisement will be published in the local media for recruitment of new membership. Effective August 31, 2009, Governor Camacho appointed two new members, a businessman/employer and a parent of an individual with a disability. One of the four vacancies has been filled effective August 31, 2009.

**RSA Response:** In its corrective action plan, DVR must describe the steps it will take to fill the parent training and information center representative vacancy and the three business, industry, and labor representative vacancies on the SRC.

**TA:** DVR does not request TA.

## CHAPTER 3: FISCAL MANAGEMENT OF DVR's VR, SE, IL AND OIB PROGRAMS

RSA reviewed DVR's fiscal management of the VR, SE, IL and OIB programs. During the review process RSA provided TA to DVR to improve its fiscal management and identified areas for improvement. RSA reviewed the general effectiveness of the agency's cost and financial controls, internal processes for the expenditure of funds, use of appropriate accounting practices, and financial management systems.

### Fiscal Management

The data in the following table, taken from fiscal reports submitted by the state agencies, speak to the overall fiscal performance of the agency. The data related to matching requirements are taken from the fourth quarter of the respective fiscal year's SF-269 report. The maintenance of effort (MOE) requirement data is taken from the final SF-269 report of the fiscal year (two years prior to the fiscal year to which it is compared). Fiscal data related to administration, total expenditures, and administrative cost percentage is taken from the RSA-2.

**Table 3.1**  
**Fiscal Profile Data for DVR for FY 2004 through FY 2008**

<b>Guam (C)</b>					
Fiscal Year	2004	2005	2006	2007	2008
Grant Amount	1,700,000	2,052,208	1,289,427	2,052,208	2,052,208
Required Match	260,102	355,426	148,981	355,426	355,426
Federal Expenditures	1,200,906	2,052,208	1,289,427	1,908,454	
Actual Match	388,056	355,426	148,981	355,426	
Over (Under) Match	127,954	0	0	0	
Carryover at 9/30 (year one)	1,700,000	1,499,479	653,582	940,076	
Program Income	0	0	0	0	
Maintenance of Effort (MOE)	350,000	364,426	388,056	355,426	148,981
Administrative Costs	352,888	388,484	530,948	573,061	
Total Expenditures*	1,464,539	1,723,721	2,054,002	1,839,711	
Percent Admin Costs to Total Expenditures	24.1%	22.5%	25.8%	31.1%	

\*Includes Supported Employment Program Expenditures.

### Explanations Applicable to the Fiscal Profile Table

#### Grant Amount:

The amounts shown represent the final award for each fiscal year, and reflect any adjustments for MOE penalties, reductions for grant funds voluntarily relinquished through the reallotment process, or additional grant funds received through the reallotment process.

## **Match (Non-Federal Expenditures):**

The non-federal share of expenditures in the basic support program, other than for the construction of a facility related to a CRP, was established in the 1992 amendments to the Act at 21.3 percent. As such, a *minimum* of 21.3 percent of the total allowable program costs charged to each year's grant must come from non-federal expenditures from allowable sources as defined in program and administrative regulations governing the VR program. (34 CFR 361.60(a) and (b); 34 CFR 80.24)

In reviewing compliance with this requirement, RSA examined the appropriateness of the sources of funds used as match in the VR program, the amount of funds used as match from appropriate sources, and the projected amount of state appropriated funds available for match in each federal fiscal year. The accuracy of expenditure information previously reported in financial and program reports submitted to RSA was also reviewed.

## **Carryover:**

Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the VR agency met the matching requirement for those federal funds by September 30 of the year of appropriation (34 CFR 361.64(b)). Either expending or obligating the non-federal share of program expenditures by this deadline may meet this carryover requirement.

In reviewing compliance with the carryover requirement, RSA examined documentation supporting expenditure and unliquidated obligation information previously reported to RSA to substantiate the extent to which the state was entitled to use any federal funds remaining at the end of the fiscal year for which the funds were appropriated.

## **Program Income:**

Program income means gross income received by the state that is directly generated by an activity supported under a federal grant program. Sources of state VR program income include, but are not limited to, payments from the Social Security Administration for rehabilitating Social Security beneficiaries, payments received from workers' compensation funds, fees for services to defray part or all of the costs of services provided to particular individuals, and income generated by a state-operated community rehabilitation program. Program income earned (received) in one fiscal year can be carried over and obligated in the following fiscal year regardless of whether the agency carries over federal grant funds. Grantees may also transfer program income received from the Social Security Administration for rehabilitating Social Security beneficiaries to other formula programs funded under the Act to expand services under these programs.

In reviewing program income, RSA analyzed the total amount (as compared to the total percentage of income earned by all VR agencies and comparable/like VR agencies), sources and use of generated income.



## **Maintenance of Effort (MOE):**

The 1992 amendments revised the requirements in section 111(a)(2)(B)(ii) of the Act with respect to maintenance of effort provisions. Effective federal FY 1993 and each federal fiscal year thereafter, the maintenance of effort level is based on state expenditures under the title I State plan from non-federal sources for the federal fiscal year two years earlier. States must meet this prior year expenditure level to avoid monetary sanctions outlined in 34 CFR 361.62(a)(1). The match and maintenance of effort requirements are two separate requirements. Each must be met by the state.

In reviewing compliance with this requirement, RSA examined documentation supporting fiscal year-end and final non-federal expenditures previously reported for each grant year.

## **Administrative Costs:**

Administrative costs means expenditures incurred in the performance of administrative functions including expenses related to program planning, development, monitoring and evaluation. More detail related to expenditures that should be classified as administrative costs is found in VR program regulations at 34 CFR 361.5(b)(2).

## **Fiscal Technical Assistance Provided to DVR During the Review Process**

RSA provided the following VR, SE, IL and OIB program technical assistance to DVR during the review process regarding:

- RSA's assessment of the agency's compliance with specific financial requirements, including match, MOE, carryover, reallocation, program income, liquidation of outstanding obligations and grant closeout;
- financial planning and assessing the financial impact of the anticipated increase in consumers requiring services as a result of the impending military build-up on Guam;
- developing plans for the effective and efficient use of excessive carryover balances to increase both the number of consumers receiving VR services and the quality of services available for consumers on Guam;
- procurement flexibilities and the need to streamline and expedite administrative and consumer purchases;
- cost containment strategies and the applicability of OMB Circular A-87 cost principles to purchased services (necessary services, reasonable costs);
- OMB Circular A-87 time distribution documentation requirements applicable to staff working on more than one program (federal and/or state);
- OMB Circular A-87 semi-annual certification requirement applicable to staff charging 100 percent of their time to one federal grant program;
- OMB Circular A-87 definition of reasonable costs and DVR's responsibility for ensuring that all program costs meet this standard;

- allotment and reallocation process and the responsibility to identify and release (in a timely manner) federal formula grant funds that cannot be used and/or matched each year;
- timing and documentation of matching funds to meet program carryover requirements;
- financial staff responsibilities for the review of administrative and consumer expenditures;
- establishment authority and federal requirements applicable to utilizing program resources to establish, develop or improve community rehabilitation programs;
- requirements applicable to entering into cooperative programs with public agencies to expand VR services;
- requirement for the submission of timely and accurate financial and statistical reports (SF-269 and RSA-2);
- requirement for 90 percent of non-administrative staff to work full-time on the rehabilitation work of the organizational unit;
- assigning responsibilities for obtaining and verifying consumer financial participation information; and
- steps to take to address the overall financial inefficiency of Guam DVR's VR program and the development of strategies for reducing and stabilizing escalating program administrative costs.

## **Observations of DVR and Its Stakeholders about the Fiscal Management Performance of the VR, SE, IL and OIB Programs**

RSA solicited input from DVR and a wide range of its stakeholders about the performance of the VR, SE, IL and OIB programs. DVR and its stakeholders shared the observations below.

- Overall program performance is impacted by Guam's cumbersome procurement process.
- Vendor payments are late.
- Sufficient vendor resources (training and job placement) are not available to obtain necessary, quality and reasonable consumer services.

RSA discussed the observations of its stakeholders with DVR and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## **VR, SE, IL and OIB Programs' Fiscal Management Performance Observations and RSA Recommendations**

RSA identified the following fiscal performance observations and made recommendations to DVR about those observations. DVR responded to each of the recommendations and in those instances when RSA and DVR agreed upon a recommendation, RSA and DVR identified the technical assistance that RSA would provide to DVR to successfully implement the recommendation.

### **1. Financial Planning**

**Observation:** DVR does not have a coordinated financial planning process that involves both program and financial staff responsible for various aspects of the management of program resources. The development and execution of the DVR annual budget appears to be the focal point

of the agency's financial planning. In contrast, financial plans are usually for multi-year periods, cover all programs that are administered by the agency, and are continuously revised to adjust for changes to individual program goals, priorities, and resources. They reflect the values of the agency and bring the agency closer toward meeting stated goals. Roles and responsibilities related to financial planning are not clearly defined and timetables and action steps for carrying out this process have not been established.

The impact of the absence of a structured, long-range financial planning process is evidenced below.

- DVR does not have sufficient resources to fully match the Guam VR program allotment and has released federal funds each year that cannot be matched.
- Decisions related to the release of funds are made at the last minute although the agency has usually known for months that matching funds are not sufficient to utilize Guam's entire allotment. Toward the end of FY 2008, DVR continued to advocate for additional matching funds well past the deadline established by RSA for relinquishing funds that cannot be used and/or matched, before finally releasing these funds.
- The uncertainty of available resources (federal and non-federal), continuing throughout each fiscal year, makes it difficult to do meaningful short-term and long-term financial and program planning.

Information related to the amount of funds released in FY 2004 through FY 2008 and the additional match required to utilize these funds is provided in the table below.

**Table 3.2**  
**DVR Federal Funds Returned: FYs 2004 through 2008**

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Original Allotment</b>	2,547,602	2,611,049	2,695,241	2,831,294	2,877,628
<b>Final Allotment</b>	1,700,000	2,052,208	1,289,427	2,052,208	2,052,208
<b>Federal Funds Returned</b>	847,602	558,841	1,405,814	779,086	825,420
<b>Percent of Allotment Returned</b>	33.3%	21.4%	52.2%	27.5%	40.2%
<b>Additional Match Required</b>	229,402	151,249	380,481	210,858	223,398

- If the required non-federal match of \$1,195,388 applicable to FYs 2004 through 2008 had been made, an additional \$4,072,599 would have been available to provide services to Guam's VR consumers.
- Although declining, carryover balances (federal funds remaining unobligated at the end of the fiscal year for which the funds are appropriated) are much higher than national averages for general/combined VR agencies. National carryover averages are not available for FY 2008, but data submitted by general/combined agencies for FYs 2005 through 2007 reflect that federal funds carried over from these fiscal years average slightly over 13.5 percent. In FYs 2002 through 2004, after relinquishing part of the federal funds made available to Guam for the VR program through the reallocation process, DVR carried over its entire remaining allotment (100 percent). Following the return of 33 percent of the FY 2005 allotment, DVR still carried over 73 percent of the remaining FY 2005 allotment. While

the percentage of funds carried over from FY 2008 shrank to 45.8 percent, \$825,420 was returned in this fiscal year.

- Program administrative costs have increased from 24.1 percent of total program costs in FY 2004 to 31.2 percent in FY 2007 and are triple the national average for general/combined agencies. DVR had not submitted expenditure information for FY 2008.
- High (and escalating) overhead costs reduce the resources available to provide consumer services.
- To maximize the use of available resources, DVR does not project and monitor costs per case, or analyze the cost of consumer services provided through vendor authorizations and/or contractual arrangements.

**Recommendation 1:** RSA recommends that DVR:

- 1.1 develop and implement a multi-year financial planning process that, at a minimum, projects: anticipated financial resources (federal and non-federal); plans for the utilization of available resources or documents the need for additional resources; administrative (including indirect) expenses; staff salaries, fringe benefits and overhead costs; innovation and expansion activities; state plan goals and strategies; and costs related to providing services to program consumers;
- 1.2 update this plan on a regular basis and utilize as a program management tool;
- 1.3 increase the forecasting skills of financial and program staff; and
- 1.4 develop and implement strategies to aggressively pursue additional matching resources for the VR program, if supported by the agency's long-range financial plan, or take appropriate action to timely identify and release federal funds that cannot be utilized through the reallocation process each fiscal year.

**Agency Response:**

- 1.1 Staff and management of the Consumer Services and Administrative Services Sections of DVR recognize the need for collaborative efforts and the development of a multi-year financial and program plan rather than the development of an annual budget from the Administrative Services Section based on actual expenditures, administrative needs and the projection of increased costs in all budget categories for each fiscal year.
- 1.3 The plan will be updated on a regular basis and utilized as a program management tool.
- 1.4 The program and financial staff will collaborate and forecast the needs of the program, prior to the development of the DVR budget.
- 1.5 DVR will develop and implement strategies to aggressively pursue additional matching resources and educate the local administration in reference to relinquishing federal funds that cannot be utilized during the Reallocation process each year.

**TA:** DVR may request TA.

## 2. Reasonable Costs

**Observation:** A limited review of VR program consumer expenditures disclosed several instances where the necessity and reasonableness of costs charged to this program are questionable. Two examples of such costs are described below.

- A vendor was paid \$53,412 to train one consumer in basic computer skills, data entry and a commercially available software program. At the end of this training, it appears the consumer was hired, at least part-time, to work for this vendor. While similar training is available through other public sources for much less money (community college or technical schools), it was explained to RSA that some consumers prefer on-the-job training.
- A vendor was paid \$121,220.80 over a three-year period to provide a VR consumer with an on-the-job training experience, with a vocational goal to become an editor. The original authorization was set up to provide this work experience in three months. Although extenuating circumstances were documented in the service record, this vendor ended up being paid \$23.90 per hour, or \$3,824 monthly for three years and used part of these funds to provide the trainee with an \$800 monthly stipend. The vocational goal has not been met and the VR consumer is currently in suspended status. At the time of RSA's onsite review, DVR had placed a second consumer with this same vendor for on-the-job training.

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, addresses both necessary and reasonable costs in Attachment A. To be allowable under federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of federal awards. Costs must also be reasonable. In accordance with the OMB Circular A-87, Attachment A (2 CFR Part 225, Appendix A), C.2.,

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally- funded...

The Circular goes on to place the responsibility on governmental units for the efficient and effective administration of federal awards through the application of sound management practices. (these are not part of the observation) DVR does not have standards to determine or assure reasonable costs, make determinations that contractors are responsible and possess the ability to perform successfully under the terms and conditions of a proposed procurement, or to monitor consumer costs throughout the rehabilitation process. As a result, costs charged to the VR program are often unnecessary or inflated.

**Recommendation 2:** RSA recommends that DVR:

- 2.1 develop guidelines to ensure that costs charged to the VR program are necessary and reasonable for the proper and efficient performance of the program; and
- 2.2 assign responsibilities, at appropriate levels, for the review and oversight of contractor selection and program costs to ensure adherence to established guidelines.

**Agency Response:**

- 2.1 The Administrative Services Officer (the certifying officer for VR funds) is obligated by local law to ensure that costs are reasonable and appropriate and to consult with the VR counselor when a service request is questioned. If there is a disagreement between the Administrative Services and the counselor, the matter is brought to the VR Administrator for the final determination.
- 2.2 Currently the contractor selection begins with the VR counselor. However, DVR is enforcing a competitive procurement policy whereby the VR counselor will provide the Administrative Services Section with a plan or specification of the service they want to procure so that competitive price comparisons can be obtained from the various vendors prior to selection.

**TA:** DVR may request TA.

**3. Procurement**

**Observation:** From discussions with stakeholders, VR counselors, and RSA's limited assessment during the onsite review of the process and procedures used by DVR to procure goods and services, it appears there are a number of problems with the procurement process that need to be addressed to ensure the appropriate, efficient and timely delivery of consumer services. Issues raised include: the excessive time that it takes to review and approve contracts at the state government level, changing and confusing procedures for vendor approval, slow consumer and vendor payments, authorizations approved (or denied) after services are rendered, authorizations approved above the VR counselor level that have been determined to be unnecessary to complete the consumers individualized plan for employment, and no cost containment measures.

When purchasing goods and services under a grant, Education Department General Administrative Regulations, 34 CFR 80.36, requires state grantees to follow the same policies and procedures that it uses for procurements from its non-federal funds. However, this does not relieve grantees of adhering to the requirements in state VR program regulations, 34 CFR 361.12, methods of administration states:

The State plan must assure that the State agency, and the designated State unit, if applicable, employs methods of administration found necessary by the Secretary for the proper and efficient administration of the plan and for carrying out all functions for which the State is responsible under the plan and this part.

These methods of administration include adopting and adhering to procurement policies and procedures that allow for the efficient, effective and timely procurement of services required by VR consumers to complete their rehabilitation process.

**Recommendation 3:** RSA recommends that DVR:

- 3.1 review all policies and procedures applicable to the timely, effective and efficient procurement of consumer goods and services to determine impediments to this process;
- 3.2 upon completion of the review, develop appropriate actions to remove these impediments;

- 3.3 develop strategies (including timetables) and take the appropriate actions to increase the pool of qualified vendors, with emphasis on increasing resources for training, job development, and placement;
- 3.4 develop and adhere to strict policies and guidelines that address approvals for consumer services above the level of the VR counselor; and
- 3.5 review all policies and procedures applicable to the vendor payments for consumer goods and services, address or remove those policies and/or procedures that result in delayed payments, and establish and monitor adherence to a specified timeframe for processing all payments.

#### **Agency Response:**

DVR's primary instrument used to purchase services from vendors is the Authorization for Services Form (ASF), which is generated from the Consumer Services Section and submitted to the Administrative Services Section. This instrument is treated as a contract and is not governed by the RFP or bidding process. As long as the competitive procurement process is followed, the ASF has been the most expedient venue to procure services for consumers. The confusion came about when DVR attempted to go through the RFP process at the same time that another division within DISID was encountering procurement challenges and there were many inquiries being made to the General Services Agency (GSA) and a few to the Office of the Attorney General from staff and vendors of the private and non-profit entities. As such, DVR requested to cancel its first request for an RFP and proceeded with the procurement of services through the ASF document. The VR counselors are proficient in the utilization of the ASF document, however, are often not in compliance with the competitive procurement process of obtaining and reporting at least two additional price comparisons for services, before making a final vendor selection. Therefore, the Administrative Services Section is required to research and obtain additional price comparisons upon receiving a service or equipment request from the VR counselor. DVR will develop and adhere to strict policies and guidelines that will address 3.1 through 3.5 above. These policies and guidelines will be developed by the second quarter of FY 2010.

**TA:** DVR may request TA.

### **VR, SE, IL and OIB Programs' Fiscal Management Compliance Findings and Corrective Actions**

RSA identified the following compliance findings and corrective actions that DVR is required to undertake. DVR must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and RSA is available to provide TA to assist DVR.

#### **1. Periodic Certification**

##### **Legal Requirement:**

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B (2 CFR Part 225, Appendix B):

- 8.h.3 Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

**Finding:** DVR is not in compliance with OMB Circular A-87, Attachment B, Section 8.h.3, because the agency has not conducted periodic certifications for employees working solely on one federal grant program or cost objective. This requirement was added when OMB Circular A-87 was revised in 1995, and is a separate requirement from the requirement to maintain time and attendance records for all employees. To comply, employees or their supervisors are required to certify, at least semi-annually, that the employee worked solely on one grant program, or cost objective, during the period covered by the certification.

**Corrective Action 1:** DVR must:

- 1.1 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will comply with OMB Circular A-87, Attachment B, 8.h.3; and
- 1.2 develop policies and procedures to ensure that, at a minimum, semi-annual certifications are completed for all employees working solely on one federal grant program, or cost objective.

**TA:** DVR does not request TA.

## 2. Assigning Personnel Costs

### Legal Requirements:

OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment B (2 CFR Part 225, Appendix B), in pertinent part, states:

- 8.h.4 Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) ... Such documentary support will be required where employees work on: (a) more than one federal award; and (b) A federal award and a non-federal award.
- 8.h.5 Personnel activity reports or equivalent documentation must meet the following standards: (a) they must reflect an after-the-fact distribution of the actual activity of each employee; (b) they must account for the total activity for which each employee is compensated; (c) they must be signed by the employee; and (d) budget estimates or other distribution percentages determined before services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes.

**Finding:** DVR is not in compliance with OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5, because personnel costs for administering the IL Part B and the OIB programs are borne by the VR program. Although the funding for the VR program represents the greatest share of DVR's



funding, the continuing practice of assigning all personnel costs to the VR program because of limited funding in other programs is not in accordance with cost principles outlined in OMB Circular A-87.

**Corrective Action 2:** DVR must:

- 2.1 cease using Title I funds for personnel costs that do not have supporting documentation as required under OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5;
- 2.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will comply with OMB Circular A-87, Attachment B, 8.h.4 and 8.h.5; and
- 2.3 maintain supporting documentation (personnel activity reports/time distribution records) and allocate an equitable portion of personnel costs, either directly or indirectly, to each program administered by DVR (excluding the SE program under Title VI-B, which can legally be charged to the VR program).

**Agency Response:**

DVR disagrees with this finding. Staff members who work on the ILOIB Program, local, or any other program, other than VR, charge their time directly to that funding source. However, DVR was under the impression that the time charged to the IL Program could be charged to the Basic 110 grant similar to how the time worked on the Supported Employment Program is charged to the Basic 110 grant. DVR will ensure that funds are allocated to the appropriate personnel category and will ensure that staff charges their time directly to the IL grant when work is performed in that program.

- 2.1 DVR received an on-site review from Region IX prior to the closing of the San Francisco Office. Time distribution records and supporting documents were reviewed and found to be in compliance at that time. DVR did not provide copies of any time distribution documents during last year's on-site visit but can submit them if needed.
- 2.2 The assurance to comply will be submitted within 10 days of the final monitoring report.
- 2.3 DVR will take steps to ensure that supporting documents are maintained for all time charged to other programs to include the IL Program.

**RSA Response:** In its corrective action plan, DVR must submit supporting documentation demonstrating that the salaries of personnel administering the IL Part B and OIB programs are charged to the appropriate programs in compliance with OMB Circular A-87 for FY 2009 and FY 2010. In addition, DVR must comply with the corrective actions (2.1, 2.2, 2.3), described above.

**TA:** DVR may request TA.

### 3. Submission of Required Reports

#### Legal Requirement:

34 CFR 361.12 states:

The State plan must assure that the State agency, and the designated State unit if applicable, employs methods of administration found necessary by the Secretary for the proper and efficient administration of the plan and for carrying out all functions for which the State is responsible under the plan and this part. These methods must include procedures to ensure accurate data collection and financial accountability.

34 CFR 80.40(b)(1) states:

Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports...Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support.

**Finding:** DVR is not in compliance with 34 CFR 361.12 and 34 CFR 80.40(b)(1), because DVR has failed to submit required financial and statistical reports in a timely manner. RSA requires that agencies submit VR program “Financial Status Reports,” SF-269s, on a quarterly basis, and “Annual Vocational Rehabilitation Program/Cost Reports,” RSA-2s, on an annual basis. The SF-269 is due 30 days after the end of each reporting quarter (12/31, 3/31, 6/30 and 9/30). The RSA-2 is due annually on December 31. Both reports can be submitted electronically through RSA’s Management Information System (MIS). Financial Status Reports must be submitted for the IL Part B and OIB programs on an annual basis and are due no later than December 31 of each year.

DVR has not submitted required SF-269s for the VR, IL and OIB programs for the following fiscal years:

- FY 2007 – VR program: The last report submitted for this fiscal year was for the quarter ending March 31, 2008. The June 30, 2008 report has been entered in the MIS, but has not been officially submitted to RSA. Required reports for the quarter ending September 30, 2008 and the final report for FY 2007 have not been submitted. IL program: The final report, due no later than December 31, 2008, has not been submitted. OIB program: No reports submitted.
- FY 2008 – The report for the quarter ending December 31, 2007 is the only report submitted for this fiscal year until June 18, 2009. As a result, RSA has not been able to determine compliance with program match, maintenance of effort or carryover requirements applicable to this fiscal year in a timely manner. IL and OIB programs: No reports submitted.
- FY 2009 – VR, IL and OIB programs: No reports have been submitted for this fiscal year.

In addition, Guam’s FY 2008 RSA-2 report, due December 31, 2008, was submitted on July 6, 2009 after repeated requests from RSA.

34 CFR 361.12 requires that VR agencies take the actions that are necessary to submit accurate and timely reports that are required to be provided to RSA related to the financial and statistical performance of the VR program.

**Corrective Action 3: DVR must:**

- 3.1 cease not submitting or submitting untimely financial and statistical reports, namely the RSA-2s and the SF-269s, as required by 34 CFR 361.12;
- 3.2 submit a written assurance to RSA within 10 days of receipt of the final monitoring report that it will ensure the timeliness of future financial and statistical reports submitted on behalf of the VR program;
- 3.3 submit all required SF-269s for FYs 2007 through 2009 no later than October 30, 2009; and
- 3.4 submit a plan, including timeline, describing the internal controls that will be implemented to ensure timeliness of the financial and statistical reports.

RSA reserves the right to pursue enforcement action as it deems appropriate, including the recovery of Title I VR funds, pursuant to 34 CFR 80.43 and 34 CFR Part 81 of the Education Department General Administrative Regulations (EDGAR).

**Agency Response:**

- 3.1 The FY 2008 RSA-2 Report was submitted late for the first time in a seven-year period. DVR Administrative Services Section has two personnel vacancies. One staff accepted a position with another government agency and the other staff passed away in November 2008. Both staff members were instrumental in the collection of data utilized to generate the RSA-2 Report. In addition, there have been changes within the Government's federal grants branch which had a direct impact on the production of the SF-269 Reports. Additionally, there was also an impact on the drawdown of federal grant funds and functions related to the distribution and disbursement of VR funds. DVR has been challenged with working with and training new personnel in the areas of carryover, match and MOE provisions of VR funds since the FY 2007 retirement of the federal grants branch administrator, who performed the function of accountant for DVR funds. The training of new staff has contributed to some of the delay in the timely submission of reports.
- 3.2 A written assurance will be submitted within 10 days of receipt of the final monitoring report that ensures the timely submission of future financial and statistical reports.
- 3.3 Although the FY 2007 SF-269 reports were prepared by the Government's Federal Grants Branch and submitted to DVR, there were errors identified in the local match being reported which is why the subsequent reports were not keyed into the MIS. This matter has since been addressed with the Federal Grants Branch Accountant and all subsequent reports were corrected. All SF-269 Reports for FY 2007 through 2009 will be keyed into the MIS no later than October 30, 2009.
- 3.4 A plan describing the internal controls to be implemented to ensure timeliness of the financial and statistical reporting will be submitted by the end of the first quarter of FY 2010. DVR will coordinate efforts with the Government of Guam's Federal Grants Branch regarding the development of this plan.

**RSA Response:** In its corrective action plan, DVR must submit a plan describing the internal controls to ensure the timely submission of financial and statistical reporting. In addition, DVR must comply with the corrective actions described above.

**TA:** DVR may request TA.

## CHAPTER 4: IL PROGRAM

### IL Program Administration and Service Delivery

DVR received \$27,464 in IL, part B funds from RSA in FY 2008. Guam's approved FY 2008-2010 State Plan for Independent Living (SPIL) allocated \$17,000 in part B for the SILC's operating expenses and \$10,000 for the DVR's provision of IL services.

Guam's IL service delivery system also includes the Guam Independent Living Center (GILC), which received \$ 88,905 in part C funds from RSA in FY 2008. DVR does not provide any funding to GILC.

The following table provides data on DVR's IL program performance in key areas from FY 2003 through FY 2007.

**Table 4.1**  
**DVR IL Program Highlights for FY 2006 through FY 2007**

<b>Program Highlights</b>	<b>2006</b>	<b>2007</b>
Title VII, chapter 1, part B funds	11,003	27,952
Total resources (including part B funds)	51,003	31,952
Total served	26	8
Total consumer service records closed	21	7
Cases closed, completed all goals	18	6
Total goals set	26	8
Total goals met	18	6
Total individuals accessing previously unavailable transportation, health care, and assistive technology	0	6
Total FTEs	1.00	1.00
Total FTEs with disabilities	2.00	2.00

Note: This table, based on the 704 Report, Part I, reflects the State Independent Living Services (SILS) program funded by Part B funds under Title VII, Chapter 1 of the Rehabilitation Act. It includes IL services provided by the DSU either directly and/or through grants or contracts with CILs, excluding those funded directly by RSA under Title VII, Chapter 1, Part C of the Act.

### Personnel

DVR's staff support to the IL program consists of a .5 full time equivalent (FTE) decision-making position and a .5 FTE direct services staff person. At the SILC's request, DVR does not provide other administrative support services.

## **Data Management**

DVR does not have IL data management or case management systems for its IL program.

## **Fiscal Management**

DVR's fiscal management system is linked with the Government of Guam's Management Information System, enabling DVR to track expenditures for the IL program. In addition, DVR's Administrative Services section utilizes a spreadsheet to track IL program resources and expenditures by budget category. This information is provided to the SILC and VR Administrator upon request. IL funds are separated into two accounts, IL Consumer Services and IL Administration, which covers all other SILC expenditures.

## **Quality Assurance**

The evaluation plan outlined in Guam's approved SPIL includes input from multiple stakeholder groups, a consumer satisfaction survey and two island-wide forums. However, DVR has not established IL QA standards.

## **Planning**

The SPIL was developed in collaboration with DVR, the SILC and GILC. The SILC's issues and policy committee is primarily responsible for reviewing, evaluating and monitoring the implementation of the SPIL.

SILC representatives participate on the Guam Developmental Disability Council, Guam Advisory Panel for Students with Disabilities, Guam Early Intervention Council and the University of Guam's Center of Excellence for Development Disabilities Education, Research and Services Advisory Council.

## **IL Program TA Provided to DVR During the Review Process**

RSA provided the following IL program TA to DVR during the review process regarding:

- IL philosophy and IL core services;
- SILC and DSU statutory roles and responsibilities;
- funding options for expanding the provision of IL services;
- utilizing funds under the Innovation and Expansion authority to support the SILC in order to allow DVR to shift part B funds from the SILC resource plan to IL service delivery.

## Observations of DVR and Its Stakeholders about the Performance of the IL Program

RSA solicited input from DVR and a wide range of stakeholders about the performance of the IL program. DVR and its stakeholders shared the observations below.

- DVR's IL program is limited in scope and does not include the delivery of the IL core services.
- The SILC is not fully exercising its statutory roles and responsibilities in the state.
- SILC members and DVR's IL staff need additional training regarding IL philosophy, the IL core duties and their respective statutory roles and responsibilities.

RSA discussed the observations of its stakeholders with DVR and addressed as many of them as possible either directly or by consolidating them into a broader issue area.

## IL Program Performance Observations and RSA Recommendations

RSA identified the following performance observations and made recommendations to DVR regarding those observations. DVR responded to each of the recommendations and in those instances when RSA and DVR agreed upon a recommendation, RSA and DVR identified the technical assistance that RSA would provide to DVR to successfully implement the recommendation.

### 1. SILC Programmatic and Fiscal Capacity

**Observation:** The SILC's ability to effectively manage its resource plan and fulfill its statutory duties is currently limited by:

- SILC members' insufficient understanding of their statutory duties under title VII, section 705 of the Act;
- lack of regular monitoring of SILC budget expenditures and fund balances to ensure effective use of SILC resources;
- delays in DVR approvals of SILC out-of-state travel and SILC expense reimbursements; and
- lack of a process to recruit SILC members who are knowledgeable about centers and IL services and who provide statewide representation and represent a broad range of individuals with disabilities.

**Recommendation:** RSA recommends that DVR and the SILC collaborate to:

- 1.1 train SILC members about their statutory roles and responsibilities;
- 1.2 provide fiscal management training to SILC members;
- 1.3 prepare timely SILC budget reports, streamline the state's expense reimbursement and travel approval processes; and

- 1.4 develop SILC procedures for identifying, recruiting and nominating members the meet the composition, qualification and terms of appointment requirements in 34 CFR 364.21(b), (c) and (f).

**Agency Response:**

- 1.1 DVR will identify and provide training to the SILC Officers and members on their statutory roles and responsibilities.
- 1.3 DVR will provide an overview of fiscal management of its resources for the SILC.  
Historically, the two former SILC Chairpersons requested that all financial data be provided directly to them or their appointee. The dissemination of financial information to the SILC members was at their discretion.
- 1.3DVR will provide training on budget implementation and provide an orientation to the SILC on their responsibilities related to submitting their plans for off-island travel in accordance with the Government’s travel policies and procedures.
- 1.4 DVR will assist the SILC with the recruitment of members in accordance with the composition and appointment requirements of 34 CFR 364.21(b),(c) and (f).

**TA:** DVR does not request TA.

## **IL Program Compliance Findings and Corrective Actions**

RSA identified the following compliance findings and corrective actions that DVR is required to undertake. DVR must develop a corrective action plan for RSA’s review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and RSA is available to provide TA to assist DVR.

### **1. IL Service Provision**

**Legal Requirement:** As stated at 34 CFR 364.43(b), “the State directly, or through grants or contracts, will provide IL services with Federal, State, or other funds.”

As described at 34 CFR 364.4, “Independent living services includes the independent living core services and... any other services that may be necessary to improve the ability of an individual with a significant disability to function, continue functioning, or move toward functioning independently in the family or community or to continue in employment and that are not inconsistent with any other provisions of the Act.”

**Finding:** DVR is not in compliance with section 704(e) of the Act because its state-administered IL program does not provide the IL core services. DVR provides only assistive devices such as eye-glasses, hearing aids and walkers.



**Observation:** In addition to this compliance finding, RSA observed the following deficiencies in DVR's IL program:

- DVR's IL staff were not familiar with the IL philosophy and the IL core services;
- consumer service records lacked consistent documentation regarding eligibility determination, independent living plans, IL services requested and provided, IL goals set and met;
- all of DVR's FY 2008 consumers were either visually or hearing impaired;
- only six consumers were served by DVR in FY 2008, down from eight the prior year;
- only two kinds of IL goals were established by IL consumers, communications and self-care; and
- IL services, expenditures and fund balances are not regularly monitored to ensure effective use of Part B program resources during the year.

**Corrective Action 1:** RSA requires that DVR take corrective action to ensure that it provides the four IL core services, directly or through grants or contracts, with federal, state or other funds.

**Recommendations:** RSA recommends that DVR:

- 1.1 reassess and restructure its IL program based on the IL philosophy and the four IL core services;
- 1.2 develop policies and procedures based on the consumer records requirements outlined in 34 CFR 364.53 and the service provider requirements in 34 CFR 364.21 through 364.59 and 34 CFR 365.30;
- 1.3 conduct outreach activities to increase the number of consumers served, variety of disabilities represented, IL services provided and IL goals achieved;
- 1.4 assess the most appropriate service delivery and funding options for the expanded IL program;
- 1.5 establish the corresponding quality assurance and staff development programs; and
- 1.6 institute improved resource management practices to monitor and, if appropriate, to adjust Part B program expenditures to ensure optimal use of resources available for the provision of IL services.

**Agency Response:**

- 1.1 DVR will reassess and restructure its IL Program based on the IL philosophy and the four IL core services.
- 1.2 Policies and procedures have been developed for submission to the SILC for adoption and general distribution to the IL consumers.
- 1.3 DVR IL staff conducts outreach activities in community centers where potential applicants are located. Independent living staff collaborates with village mayors to increase the number of participants in the IL Program.
- 1.4 The IL staff, in coordination with the SILC, will assess the service delivery system and most cost effective funding options.
- 1.5 DVR will incorporate the quality assurance and staff development training related to IL services delivery into its QA and training policies and procedures.

**RSA Response:** In its corrective action plan, DVR must submit a plan documenting how it will provide the four IL core services and carry out the corrective actions described above.

**TA:** DVR may request TA.

## **2. IL Policies and Procedures**

**Legal Requirement:** As stated at 34 CFR 365.30 “The DSU shall develop, establish, and maintain written standards and procedures to be applied by service providers to assure expeditious and equitable handling of referrals and applications for IL services from individuals with significant disabilities.”

As described at 34 CFR 365.31(a)(1), “The DSU shall develop, establish, make available to the public, maintain, and implement written minimum standards for the provision of IL services to be met by service providers that are not centers.”

Pursuant to 34 CFR 364.56(a), “The State plan must assure that each service provider will adopt and implement policies and procedures to safeguard the confidentiality of all personal information, including photographs and lists of names.”

As described at 34 CFR 364.4, “Service provider means (1) a designated State unit (DSU) that directly provides IL services to individuals with significant disabilities; (2) A center that receives financial assistance under part B or C of chapter 1 of title VII of the Act; or (3) Any other entity or individual that meets the requirements of §364.43(e) and provides IL services under a grant or contract from the DSU pursuant to §364.43(b).”

**Finding:** DVR is not in compliance with federal regulations because it does not have standards or procedures for assuring the expeditious and equitable handling of referrals and applications for IL services, as required in 34 CFR 365.30; for safeguarding the confidentiality of personal information, as required in 34 CFR 364.56(a); or for the provision of IL services by service providers that are not centers, as required in 34 CFR 365.31(a)(1). Note that 34 CFR 365.30 and 34 CFR 364.56(a) apply to both DVR and the SILC, while 34 CFR 365.31(a)(1) applies only to DVR, according to 34 CFR 364.4.

**Corrective Action 2:** RSA requires that DVR take corrective action to ensure that it develops, establishes, and maintains written standards and procedures to be applied by service providers to assure expeditious and equitable handling of referrals and applications for IL services; that it adopts and implements policies and procedures to safeguard the confidentiality of all personal information, including photographs and lists of names; and that it develops, establishes, makes available to the public, maintains, and implements written minimum standards for the provision of IL services to be met by service providers that are not centers. In accordance with 34 CFR 364.4, such minimum standards must apply to the provision of IL services by DVR.

**Agency Response:**

A written policies and procedures manual has been developed to address the corrective action concerns. Although DVR can provide the IL Philosophy and Core Services, IL skills training will have to be purchased through a CRP. In addition, DVR will work with the Department of Public Health and Social Services (DPHSS) and the Developmental Disabilities Planning Council (DDPC) to increase the provision of core services. Through this collaboration, we hope to provide quality IL services across the island of Guam. DVR will collaborate with the SILC to delineate its statutory roles and responsibilities regarding the IL Program.

**RSA Response:** In its corrective action plan, DVR must submit the policies and procedures governing and assuring the expeditious and equitable handling of IL referrals and applications, to include safeguarding confidentiality and the provision of services. In addition, DVR must take the corrective action above.

**TA:** DVR may request TA.

## CHAPTER 5: OIB PROGRAM

### OIB Program Administration and Service Delivery

Guam provides all of its OIB services directly through DVR staff. According to the 7-OB Report, Guam's OIB program served 136 individuals in FY 2008, up from 126 in FY 2007. The services consist primarily of vision screening and assistive technology devices.

The following table provides data on DVR's OIB program performance in key areas from FY 2003 through FY 2007.

**Table 5.1**  
**DVR OIB Program Highlights for FY 2006 through FY 2008**

<b>Program Highlights</b>	<b>2006</b>	<b>2007</b>
Title VII, Chapter 2 funds	40,000	0
Total expenditures (including Chapter 2)	40,000	0
Total served older individuals who are blind	38	0
Total FTEs	3.50	0.00
Total FTEs with disabilities	0.00	0.00

### Personnel

DVR administers the OIB program through 0.5 FTE direct services staff and a 0.5 FTE support staff. The direct service staff provides primarily intake services and service purchases.

### Data Management

DVR's data management system for the OIB program consists solely of the 7-OB annual performance report submitted to RSA on a yearly basis.

### Fiscal Management

According to the 7-OB Report, DVR had \$61,000 in Chapter 2 funds available for the OIB program in FY 2008. Of this amount, the \$21,000 or one-third of total available funds was carryover funds from the prior fiscal year. No state matching, in-kind or other non-Title VII funds were reported for the OIB program.

### Quality Assurance

DVR does not have a QA system for the OIB program.

## Planning

DVR does not have a planning process for its OIB program.

## OIB Program TA Provided to DVR During the Review Process

RSA provided the following OIB program TA to DVR during the review process regarding:

- improving DVR's provision of OIB services;
- strengthening the agency's program and fiscal management and oversight; and
- expanding its outreach and community awareness activities.

## Observations of DVR and Its Stakeholders about the Performance of the OIB Program

RSA solicited input from DVR and a wide range of its stakeholders about the performance of the VR and SE programs. The DVR and its stakeholders shared the observation below.

DVR conducts outreach to all of Guam's 26 villages, in partnership with the State Office of Aging (SOA) under the Department of Public Health and Social Service, the Veteran Affairs Office, Social Security Administration and the respective village mayors. In addition, DVR developed the senior peer support services program in partnership with the SOA and SILC to provide peer support to blind elders, and conduct an annual conference.

## OIB Program Performance Observations and RSA Recommendations

RSA identified the following performance observation and made recommendations to DVR about the observation. DVR responded to each of the recommendations and in those instances when RSA and DVR agreed upon a recommendation, RSA and DVR identified the technical assistance that RSA would provide to DVR to successfully implement the recommendation.

### 1. OIB Service Provision

**Observation:** DVR's OIB services do not fully reflect the nature and scope of the OIB program.

- Of the \$30,038 expended on direct services, \$22,528 or 75 percent was used to provide vision screening or low vision evaluations and assistive devices in FY 2008. The remaining \$7,509 was used to provide eye glasses and other assistive devices and services. No funds were expended for IL and adjustment skills training, communication skills training, advocacy, peer counseling, information and referral services, or community awareness activities.
- DVR does not have policies and procedures that reflect the OIB program's statutory requirements and range of services.
- DVR's OIB staff are not fully aware of the nature and scope of the program.

**Recommendation 1:** RSA recommends that DVR:

- 1.1 engage in strategic planning to redesign and expand OIB program and services;
- 1.2 develop OIB policies and procedures regarding staffing, eligibility, service provision, recordkeeping, procurement and release of personal information; and
- 1.3 provide staff training regarding the nature and scope of the program.

**Agency Response:**

DVR has developed an ILOB Policy Manual to correct the deficiencies of the ILOB Program and Services. The Policy will be given to the SILC Council to review, correct and adopt as a guideline for ILOB services.

**TA:** DVR does not request TA.

**OIB Program Compliance Findings and Corrective Actions**

RSA identified the following compliance findings and corrective actions that DVR is required to undertake. DVR must develop a corrective action plan for RSA's review and approval that includes specific steps the agency will take to complete the corrective action, the timetable for completing those steps, and the methods the agency will use to evaluate whether the compliance finding has been resolved. RSA anticipates that the corrective action plan can be developed within 45 days and RSA is available to provide TA to assist DVR.

**1. Eligibility**

**Legal Requirement:** As described at Section 751 of the Act, "for purposes of this chapter, the term an older individual who is blind means an individual age 55 or older whose significant visual impairment makes competitive employment extremely difficult to attain but for whom independent living goals are feasible."

**Finding:** DVR is not in compliance with the eligibility requirements in section 751 of the Act because thirty-six of the forty consumers whose service records were reviewed by RSA were under the age of 55 at the time of application.

**Corrective Action 1:** RSA requires that OVR take corrective action to develop and implement policies and procedures to ensure that OIB funds are used to provide independent living services only for older individuals who are blind, as defined in section 751 of the Act.

**Recommendation 1:** RSA recommends that the corrective action include staff training on the program's eligibility requirements.

**Agency Response:**

DVR's Administrator will review the 40 consumer's cases to verify if the 36 consumers met or did not meet the age eligibility. The Administrator will provide staff training regarding OIB eligibility requirements.

**RSA Response:** In its corrective action plan, DVR must submit policies and procedures regarding the provision of IL services to persons who are blind as defined in section 751 of the Act and carry out the corrective action described above.

**TA:** DVR requests TA.

**2. Policies and Procedures**

**Legal Requirement:** Pursuant to 34 CFR 367.4(c), "the following regulations apply to the Independent Living Services for Older Individuals Who Are Blind program...(6) Section 364.56 (What are the special requirements pertaining to the protection, use, and release of personal information?)."

Pursuant to 34 CFR 364.56(a), "the State Plan must assure that each service provider will adopt and implement policies and procedures to safeguard the confidentiality of all personal information including photographs and lists of names."

**Finding:** Review of OIB files and discussion DVR staff indicate that the program does not have any written policies and procedures, including the confidentiality of personal information.

**Corrective Action 2:** RSA requires that DVR adopt and implement policies and procedures that safeguard the confidentiality of personal information, as required in 34 CFR 364.56.

**Recommendation 2:** RSA recommends that the corrective action plan include the development of OIB policies and procedures manual including eligibility determination, nature and scope of services, consumer appeals and confidentiality, purchasing and procurement, monitoring and oversight and quality assurance.

**Agency Response:**

The administration of IL and ILOB is pursuant to federal laws and regulations that govern the VR program on Guam. Eligibility determination, consumer services, appeals and confidentiality, procurement systems, monitoring and quality assurance are incorporated in the nature and scope of the VR program. DVR values are consistent with the IL and ILOB values and philosophy.

**RSA Response:** In its corrective action plan, DVR must submit written policies and procedures regarding the confidentiality of personal information, eligibility determination, nature and scope of services, consumer appeals and confidentiality, purchasing and procurement, monitoring and oversight and quality assurance and it must take the corrective action identified above.

**TA:** DVR does not request TA.

## APPENDIX: SOURCES OF DATA

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### VR and SE Program Highlights

- Total funds expended on VR and SE – RSA-2 line 1.4
- Individuals whose cases were closed with employment outcomes - RSA-113 line D1
- Individuals whose cases were closed without employment outcomes - RSA-113 line D2
- Total number of individuals whose cases were closed after receiving services – RSA-113 line D1+D2
- Employment rate – RSA-113 line D1 divided by sum of RSA-113 line D1+D2, multiplied by 100
- Individuals whose cases were closed with SE outcomes – Total number of individuals whose employment status at closure (record position 161) = 7 in the RSA-911 report
- New applicants per million state population – RSA-113 line A2 divided by the result of the estimated state population divided by 1 million. The estimated state population is found on the following website: <http://www.census.gov/popest/states/NST-ann-est.html>
- Average cost per employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who achieved an employment outcome (record position 198 = 3) divided by the total number of these individuals
- Average cost per unsuccessful employment outcome – Sum of individuals' cost of purchased services from the RSA-911 (record position 104-109) for individuals who did not achieve an employment outcome (record position 198 = 4) divided by the total number of these individuals
- Average hourly earnings for competitive employment outcomes - Sum of individuals' weekly earnings at closure (record position 163-166) divided by the total hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure > 0, where the type of closure (record position 198) = 3, and where competitive employment (record position 162) = 1
- Average state hourly earnings – Using the most relevant available data from the Bureau of Labor Statistics Report (<http://www.bls.gov>), state average annual earnings divided by 2,080 hours



- Percent average hourly earnings for competitive employment outcomes to state average hourly earnings – Average hourly earnings for competitive employment outcomes (above) divided by the Average state hourly earnings (above) multiplied by 100
- Average hours worked per week for competitive employment outcomes - Average hours worked in a week at closure (record position 167-168) for individuals where weekly earnings at closure (record position 163-166) > 0 and where the type of closure (record position 198) = 3 and competitive employment (record position 162) = 1
- Percent of transition age served to total served – Total number of individuals whose age at application is 14-24 and whose type of closure (record position 198) is 3 or 4 divided by all individuals of any age whose type of closure (record position 198) is 3 or 4
- Employment rate for transition population served – Total number of individuals whose age at application is 14-24 and whose type of closure (record position 198) = 3 divided by the number of individuals whose age at application is 14-24 and whose type of closure (record position 198) is 3 or 4 multiplied, the result of which is multiplied by 100
- Average time between application and closure (in months) for individuals with competitive employment outcomes - Average of individuals date of closure (record position 201-208) minus date of application (record position 15-22) in months where type of closure (record position 198) = 3 and competitive employment (record position 162) = 1
- Standard 1 – To achieve successful performance on Evaluation Standard 1 the DSU must meet or exceed the performance levels established for four of the six performance indicators in the evaluation standard, including meeting or exceeding the performance levels for two of the three primary indicators (Performance Indicators 1.3, 1.4, and 1.5).
- Standard 2 – To achieve successful performance on Evaluation Standard 2, the DSU must meet or exceed the performance level established for Performance Indicator 2.1 (.80) or if a DSU's performance does not meet or exceed the performance level required for Performance Indicator 2.1, or if fewer than 100 individuals from a minority population have exited the VR program during the reporting period, the DSU must describe the policies it has adopted or will adopt and the steps it has taken or will take to ensure that individuals with disabilities from minority backgrounds have equal access to VR services.

#### **IL Program Highlights (From RSA 704 report)**

- Title VII, Chapter 1, Part B Funds – Subpart I, Administrative Data, Section A, Item 1(A)
- Total Resources (including Part B funds) – Subpart I, Administrative Data, Section A, Item 4
- Total Served - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section A(3)

- Total Consumer Service Records Closed - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(6)
- Cases Closed - Completed All Goals - Subpart II, Number and Types of Individuals with Significant Disabilities Receiving Services, Section B(4)
- Total Goals Set - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L)
- Total Goals Met - Subpart III, Section B, Item 1, sum of (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) + (K) + (L)
- Total individuals accessing previously unavailable transportation, health care, and assistive technology - Subpart III, Section B, Item 2, sum of (A) + (B) + (C)
- Total FTEs - Subpart I, Section F, sum of Item 2 for the column
- Total FTEs with Disabilities - Subpart I, Section F, sum of Item 2 for the column

**ILOB Program Highlights (From RSA 7-OB Form)**

- Title VII, Chapter 2 funds - Part I-Sources and Amounts of Funding, (A)(1)
- Total expenditures (including Chapter 2) - Part I-Sources and Amounts of Funding, (A)(6)
- Total Older Individuals who are Blind Served - Part III-Data on Individuals Served During This Fiscal Year, (B)-Gender, sum of (1) + (2)
- Total FTEs - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column
- Total FTEs with Disabilities - Part II-Staffing, sum of (1) + (2) + (3) + (4) for the column